



June 9, 2004

**TO:** Local Agency Formation Commission

**FROM:** Acting Executive Officer  
Policy Analyst

**SUBJECT:** Proposed:  
"Denson Annexation to the Orange County Sanitation District" (DA 02-11); Out-of-Area Sewer Service Agreement – City of Orange;  
"Dangler Annexation to the Orange County Sanitation District" (DA 02-17); Out-of-Area Sewer Service Agreement – City of Orange;

**CHAIR**  
**CHARLES V. SMITH**  
Supervisor  
First District

**VICE CHAIR**  
**SUSAN WILSON**  
Representative of  
General Public

**RANDAL J. BRESSETTE**  
Councilmember  
City of Laguna Hills

**BILL CAMPBELL**  
Supervisor  
Third District

**PETER HERZOG**  
Councilmember  
City of Lake Forest

**ARLENE SCHAFFER**  
Director  
Costa Mesa  
Sanitary District

**JOHN B. WITHERS**  
Director  
Irvine Ranch Water  
District

**ALTERNATE**  
**ROBERT BOUER**  
Councilmember  
City of Laguna Woods

**ALTERNATE**  
**RHONDA MCCUNE**  
Representative of  
General Public

**ALTERNATE**  
**JAMES W. SILVA**  
Supervisor  
Second District

**ALTERNATE**  
**CHARLEY WILSON**  
Director  
Santa Margarita  
Water District

**BOB ALDRICH**  
Acting Executive Officer

### APPLICANT

Orange County Sanitation District (OCSD), by Resolution of Application, and with consent of the sole property owners.

### PROPOSAL

The two separate applications referenced in this report request LAFCO to collectively consider the annexations of approximately 11 acres of uninhabited territory to the Orange County Sanitation District and concurrent approval of contractual Out-of-Area agreements (OAA) for sewer services between the City of Orange and the property owners. The purpose of the proposal is to provide sewer service to nine properties located in the unincorporated Orange Park Acres area within the sphere of influence of the City of Orange; eight of the proposed properties consist of existing single-family homes and one single-family home is currently under development.

### BACKGROUND

The first homes were built in the Orange Park Acres unincorporated area in 1928. Today, the residential area includes approximately 400 acres consisting of approximately 1,200 homes, the majority of which are on septic systems. The subject applications are similar to several proposals recently filed with LAFCO by the OCSD on behalf of residents requesting access to sewer service to properties located in the unincorporated area of Orange Park Acres.

The City of Orange has addressed individual OPA resident requests to connect to public sewer through a contractual agreement with residents. However, the opportunity offered only a band-aid fix to a potentially larger policy issue; that of facilitating a proactive process for residents to gain access to public sewer service.

### ***Policy Guidelines***

Ideally, the subject territories should, if feasible, be annexed to the City of Orange, since city services are being extended beyond their boundaries. Pursuant to Government Code Section 56133, a city may provide new or extended services outside its jurisdictional boundaries if it first requests and receives written approval from the commission in the affected county. Additionally, the commission's policy on out-of-area agreements provides that LAFCO shall approve these agreements for service outside of a city's jurisdictional boundaries only in anticipation of a change of organization, i.e., annexation to the city.

### ***Extending Services***

On September 12, 2001, your Commission approved the LAFCO "Policy for the Review and/or Processing of Out-of-Area Agreements by the Executive Officer" (Government Code Section 56133) (See Attachment C); thereby delegating authority to the Executive Officer of LAFCO to (1) consult with public agencies to determine whether their out-of-area service agreements are subject to LAFCO review, and (2) review, process, and approve out-of-area service agreements not exempt under provisions of Government Code Section 56133.

For the subject annexations, the City has agreed to provide retail sewer service to the territories and requests that LAFCO approve Out-of-Area Sewer Service Agreements to facilitate such service. If the subject annexations to OCSD are approved by your Commission, the annexations will be subject to a term and condition that the City must submit to LAFCO a fully signed and executed copy of the Out-of-Area Sewer Service Agreement between the City of Orange and each affected property owner for review and approval by the LAFCO Executive Officer. Upon approval by the Executive Officer, the proposed annexation applications will be finalized through the recordation of the annexations.

### **LOCATION**

The proposed annexations are generally located in unincorporated Orange County in the vicinity of Meads Avenue, Orange Park Boulevard and Randall Street. (See Attachments A & B, vicinity maps).

### **ENVIRONMENTAL REVIEW**

The projects are categorically exempt pursuant to Section 15319 of the State CEQA Guidelines.

## **PROPERTY TAX**

No property tax exchange will occur as a result of these proposals pursuant to the Master Property Tax Agreement adopted by the Board of Supervisors for enterprise special district reorganization proposals.

## **RECOMMENDATIONS**

Staff recommends that the Commission take the following actions:

1. Adopt the form of resolution approving the "Denson Annexation to the Orange County Sanitation District" (DA 02-11); "Dangler Annexation to the Orange County Sanitation District" (DA 02-17) and waive conducting authority proceedings pursuant to Government Code Section 56663. These approvals are subject to the following terms and conditions:
  - a) Prior to recordation of the Denson Annexation to the Orange county Sanitation District (DA 02-11) and Dangler Annexation to the Orange County Sanitation District (DA 02-17), the City of Orange shall submit to LAFCO a fully signed and executed copy of an out-of-area service agreement with each property owner for review and approval by the LAFCO Executive Officer.
  - b) Payment of Recorder and State Board of Equalization fees.
  - c) The applicant agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval.
  - d) The effective date shall be the date of recordation.

Respectfully submitted,

---

BOB ALDRICH

---

CAROLYN THOMAS

Attachments:

- A. Vicinity Map for Denson Annexation to Orange County Sanitation District (DA 02-11)
- B. Vicinity Map for Dangler Annexation to Orange County Sanitation District (DA 02-17)
- C. LAFCO "Policy for the Review and/or Processing of Out-of-Area Agreements by the Executive Officer"